ROYCE MEDICAL COMPANY

# INTELLECTUAL PROPERTY AND NON-DISCLOSURE AGREEMENT (EMPLOYEE)

In consideration of my employment or continued employment as an employee by Centec/Surefit Orthopaedics Inc. or any of its subsidiaries or affiliates (the "Company") and the compensation to be paid me by the Company during my employment, I hereby agree as follows:

1. Best Efforts

I will devote my best efforts to the Company's interests throughout my employment and I will not do any work for myself or any other interest that might conflict in any way with my obligations to the Company.

2. Intellectual Property

I hereby assign to the Company, without further compensation, any and all copyrights, trademarks, inventions, processes, procedures, systems, discoveries, designs, configurations, technology, trade secrets and improvements (whether or not patentable and whether or not they are made, conceived or reduced to practice during working hours or using the Company's data or facilities) (hereinafter called "Intellectual Property") which I make, conceive, reduce to practice or acquire during my employment by the company (either solely or jointly with others), and which are related to the Company's present or planned business.

I will promptly disclose to the Company all such Intellectual Property and will assist the Company in obtaining and enforcing for its own benefit registrations or patents on such Inventions in any country. Upon request, I will execute all applications, assignments, instruments and papers, and perform all acts necessary or desired by the company to assign all such Intellectual Property fully and completely to the Company and to enable the Company to secure and enjoy full benefits and advantages thereof.

I hereby acknowledge receipt of notice from the Company pursuant to Section 2872 of Art 3.5, Chapter 2 of Division 3 of the California Labor Code (copy attached hereto as Exhibit "A"). I understand that the Company agrees that not withstanding anything to the contrary in this Section 2, nothing in this Agreement shall apply to any invention which qualifies fully under the provisions of the Section 2872 of the California Labor Code.

I understand that my obligations under this Section 2 will continue after the termination of my employment with the Company and that I will perform such obligations without further consideration, except for reimbursement of expenses incurred at the request of the Company. It shall be presumed, and I will have the burden of proving otherwise, that any Intellectual Property which would otherwise be assignable by me to the Company during my term of employment is also

EXHIBIT E

with the Company, and I will not disclose to the Company or induce the Company to use any confidential or information or material belonging to any previous employer or others.

This Agreement shall not pertain to inventions or copyrights which, prior to my employment by the Company, were conceived and reduced to practice or which were the subject of a patent application then on file in the United States Patent and Trademark Office. Such prior inventions are as follows:

a. ( ) None.

b. ( ) All my prior inventions are disclosed in patent applications filed prior to my employment.

c. ( )

d. ( )

5. Other Obligations

I acknowledge that the Company from time to time may have agreements with other persons or entities, which impose obligations or restrictions on the Company regarding Intellectual Property. I agree to be bound by all such obligations and restrictions of which I receive notice and to take all action necessary to discharge the obligations of the Company thereunder.

6. Miscellaneous

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

This Agreement supersedes all prior agreements, written or oral, between me and the Company relating to the subject matter of this Agreement. This Agreement may not be modified, changed or discharged in whole or in part, except by an agreement in writing signed by me and the Company. I agree that any subsequent change or changes in my duties, salary or compensation shall not affect the validity or scope of this Agreement. I acknowledge that the terms and conditions of this Agreement are in effect as of this date and are deemed to apply from the date of my first employment by the Company.

This agreement will be binding upon my heirs, executors and administrators and will inure to the benefit of the Company and its successors and assigns, provided that Section 3 shall be binding upon such heirs, executors and administrators only to the extent that they obtain from me Intellectual Property of the Company.

No delay or omission by the Company in exercising any right under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by the company on any one occasion is

assignable to the Company if made, conceived or reduced to practice by me within two (2) months of the end of my employment with the Company, and I hereby assign such Intellectual Property to the Company.

3. Proprietary Information

I recognize that my relationship with the company is one of high trust and confidence by reason of my access to and contact with the trade secrets and confidential and proprietary information of the Company. I will use my best efforts to protect the Company's Intellectual Property and any and all confidential, proprietary or secret information relating to the Company's products, services, clients, customers or business operations or activities (collectively called "Proprietary Information").

I will not during my employment with the Company or at any time thereafter disclose to others or use for my own benefit or for the benefit of another any Proprietary Information (whether or not learned, obtained or developed solely by me or jointly with others).

My undertakings and obligations under this Section 3 will not apply, however, to any such proprietary Information which: (a) is or becomes generally known to the public through no action on my part; (b) is generally disclosed to third parties; or (c) is approved for release by written authorization of the Board of Directors of the Company.

Upon termination of my employment or at any other time upon request, I will promptly deliver to the Company all notes, memoranda, notebooks, drawings, records, reports, files and other documents (and all copies of reproductions of such materials) in my possession or under my control, whether prepared by me or others, which are secret, confidential or proprietary to the Company, as well as any other documents prepared by me on behalf of the Company or received by the Company during my employment with the Company. I acknowledge that this material is the sole property of the company. I further represent that in the event I seek employment with any one else competitive with the Company, I will disclose this Agreement to them.

4. Absence of Restrictions Upon Disclosure and Competition

I hereby represent, except as disclosed in writing to the Company, as follows: I am not bound by the terms of any agreement with any previous employer or other party to refrain from using or disclosing any trade secret or confidential or proprietary information which need be disclosed or used by me in the course of my employment with the Company or any agreement to refrain from competing, directly or indirectly, with the business of such previous employer or any other party:

I further represent that my performance of all the terms of this Agreement and as an employee to the Company does not and will not breach any agreement to keep any confidential information, knowledge or data acquired by me in confidence or in trust prior to my employment

effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion.

I expressly consent to be bound by the provisions of this Agreement for the benefit of the company or any subsidiary of affiliate thereof to whose employe I may be transferred without the necessity for any re-execution of the Agreement at the time of such transfer.

This Agreement is governed by and will be construed as a sealed instrument under and in accordance with the laws of the State of California.

Date Signed by Employee: 7-7-92

Signature of Employee

ERIC G. MARSH

Printed Name of Employee

Agreed to and accepted by:

Dated: 7-7-92

By: _____
Name

Title: SR ENGINEER, R&D

NOTICE TO EMPLOYEE PURSUANT TO SECTION 2872 OF ART 3.5, CHAPTER 2 OF DIVISION 3 OF THE LABOR CODE

The attached Agreement between the Company and the Employee does not apply to an invention for which no equipment, supplies, facility, or trade secret information of the Company was used and which was developed entirely on the Employee's own time, and

(a) which does not relate

(1) to the business of the Company or

(2) to the Company's actual or demonstrably anticipated research or development, or

(b) which does not result from any work performed by the Employee for the Company.